

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 JUSE-00 TRSE-00 L-03 SS-15 NSC-05

CIAE-00 INR-07 NSAE-00 PRS-01 PA-01 USIA-06 /049 W
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P 102000Z SEP 76

FM AMEMBASSY NASSAU

TO SECSTATE WASHDC PRIORITY 8616

C O N F I D E N T I A L SECTION 1 OF 2 NASSAU 1440

E.O. 11652: GDS

TAGS: PINT PFOR CFED BF

SUBJ: DELIVERY OF DENIAL OF IRS-CBS STORY TO HERALD EDITOR

REF: A) STATE 223808; B) NASSAU 1439

1. SUMMARY: EMBASSY OFFICER DELIVERED DENIAL OF IRS-CBS STORY TO HERALD EDITOR MICHAEL SYMONETTE SEPTEMBER 10. HE PROMISED TO RUN SAME SEPTEMBER 15, THOUGH STANDING BY ESSENTIALS OF HIS ORIGINAL STORY. HE ALSO REPORTED THAT PAPER WOULD RUN STORY BASED ON CBS DENIAL SEPTEMBER 11 AND ANOTHER ATTACK ON IRS NEXT WEEK. LATTER CENTERS ON PURPORTED IRS THREAT TO RELEASE NAMES OF BAHAMIANS WITH U.S. BANK ACCOUNTS. EMBASSY BELIEVES WE SHOULD CONTINUE DENYING FALSE CHARGES AND CORRECTING MEANINGFUL INACCURACIES BUT SHOULD ALSO BE CAREFUL TO AVOID GETTING INVOLVED IN RUNNING PUBLIC FEUD WITH HERALD AND, BY EXTENSION PLP AND GCOB. END SUMMARY

2. EMBASSY OFFICER HAND-DELIVERED CATEGORICAL DENIAL OF HERALD'S SEPTEMBER 1 IRS-CBS STORY TO PAPER'S EDITOR MICHAEL SYMONETTE SEPTEMBER 10. SYMONETTE PROMISED TO RUN DENIAL SEPTEMBER 15 BUT STOOD BY ORIGINAL STORY WITH ONLY SLIGHTLY LESS ASSURANCE THAN EARLIER IN WEEK, ADMITTING "POSSIBILITY" THAT REPORTER'S CONVERSATION PARTNER ON PLANE MAY HAVE BEEN LEGITIMATE NEWSMAN IN POSSESSION OF USG DOCUMENTS BUT PRESSING "POSSIBILITY" THAT IRS IS SO POWERFUL THAT ONE OF ITS AGENTS MAY HAVE BEEN HERE WITHOUT EMBASSY'S
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KNOWLEDGE. EMBASSY OFFICER, ADMITTING PAST PROBLEMS,

POINTED OUT THAT FOR THAT VERY REASON EMBASSY AND USG ARE BEING "DOUBLY CAREFUL AND BENDING OVER BACKWARDS" TO ENSURE THAT THERE ARE NO REPETITIONS.

3. SYMONETTE CLAIMED TO HAVE TALKED TO BARRY LANDO SEVERAL TIMES DURING PAST WEEK AND WILL PRINT FOLLOWING STORY BASED ON CBS DENIAL -- WHICH HE CLAIMED TO HAVE READ TO LANDO -- IN ITS SEPTEMBER 11 EDITION:

QUOTE TV NEWS EXEC DENIES I.R.S. TIES

AN AMERICAN TELEVISION NEWS EXECUTIVE WHO RECENTLY VISITED THE BAHAMAS HAS DENIED CATEGORICALLY ANY INVOLVEMENT WITH COVERT I.R.S. ACTIVITIES IN THIS COUNTRY.

RESPONDING TO A FRONT PAGE STORY IN THE HERALD'S SEPTEMBER 1ST ISSUE, MR. BARRY LANDO CONFIRMED THAT HE AND THREE OTHER MEMBERS OF AN AMERICAN TELEVISION NETWORK NEWS TEAM HAD BEEN IN THE BAHAMAS TO COLLECT INFORMATION AND FILM FOR A TELEVISION NEWS REPORT. THE TEAM INCLUDED WELL-KNOWN AMERICAN NEWS COMMENTATOR MIKE WALLACE, AS WELL AS TWO FREE-LANCE CAMERAMEN ENGAGED BY THE NETWORK. THE NEWS STORY THEY ARE PREPARING IS BELIEVED TO INCLUDE INFORMATION ABOUT EFFORTS OF THE AMERICAN GOVERNMENT TO BREAK THROUGH BAHAMIAN BANK SECRECY LAWS AND THUS UNDERMINE THE POSITION OF THIS COUNTRY AS AN INTERNATIONAL FINANCIAL CENTRE.

IF THE AMERICAN NETWORK NEWS REPORT IS AIRED ON A NATIONWIDE BASIS, AS IS PRESENTLY PLANNED, IT MAY FOR THE FIRST TIME BRING TO THE ATTENTION OF MILLIONS OF AMERICANS THE FACT THAT THEIR GOVERNMENT HAS ENGAGED IN IMPROPER COVERT INTELLIGENCE ACTIVITIES HERE IN THE BAHAMAS. MR. LANDO, HOWEVER, HAS EMPHATICALLY STATED THAT HE HIMSELF WAS NOT ENGAGED IN ANY SUCH COVERT OR IMPROPER ACTIVITIES, AND EXPRESSED A FIRM CONVICTION THAT TO THE BEST OF HIS KNOWLEDGE AND BELIEF NO OTHER MEMBER OF HIS NEWS TEAM WAS AT ANY TIME WHILE IN THE BAHAMAS INVOLVED WITH THE COLLECTION OF INFORMATION FOR OR ON BEHALF OF ANY AGENCY OF THE U.S. GOVERNMENT.

MR. LANDO DID NOT DENY THAT AMERICAN INTELLIGENCE AGENCIES HAVE IN THE PAST CONDUCTED COVERT OVERSEAS OPERATIONS UNDER THE "COVER" OF LEGITIMATE NEWS-GATHERING ACTIVITIES. HE MADE CLEAR, HOWEVER, THAT AS A PROFESSIONAL JOURNALIST HE STRONGLY DISAPPROVED OF SUCH GOVERNMENTAL BEHAVIOR, AND AFFIRMED THAT THE POLICY OF HIS NETWORK IS TO OPPOSE ANY GOVERNMENTAL ABUSE OF CONFIDENTIAL

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JOURNALISTIC PRIVILEGE. TO EMPHASIZE THIS POINT, MR. LANDO REVEALED THAT HE HIMSELF HAD BEEN RESPONSIBLE FOR EXPOSING ON NATIONWIDE TELEVISION THE FACTS ABOUT PREVIOUS ABUSES OF THIS KIND BY AMERICAN INTELLIGENCE AGENCIES. IT IS BELIEVED THAT THE PUBLIC REVELATION OF THESE ACTIVITIES BY MR. LANDO'S NETWORK WAS AT LEAST IN PART RESPONSIBLE FOR THE PURPORTED CURBING OF SUCH OPERATIONS BY THE U.S. CENTRAL INTELLIGENCE AGENCY. EARLIER THIS YEAR, THE DIRECTOR OF THAT

AGENCY OFFICIALLY ASSURED THE AMERICAN CONGRESS THAT THE C.I.A. HAD DISCONTINUED SUCH ACTIVITIES. ACTIVITIES OF THE C.I.A., HOWEVER, HAVE NOT BEEN A MATTER OF CONTROVERSY IN THE BAHAMAS, AND THE HERALD CAN FIND NO RECORD OF SIMILAR ASSURANCES HAVING BEEN GIVEN TO THE AMERICAN CONGRESS BY THE DIRECTOR OF THE INTERNAL REVENUE SERVICE.

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FM AMEMBASSY NASSAU

TO SECSTATE WASHDC PRIORITY 8617

C O N F I D E N T I A L SECTION 2 OF 2 NASSAU 1440

MR. LANDO MADE CLEAR, HOWEVER, THAT HIS OPPOSITION TO GOVERNMENTAL ABUSE OF JOURNALISTIC PRIVILEGE WAS NOT LIMITED TO ACTIVITIES OF THE C.I.A. BUT EXTENDED TO ANY SUCH OPERATIONS CARRIED OUT BY ANY GOVERNMENT AGENCY, INCLUDING THE I.R.S. INTELLIGENCE DIVISION. WHEN ASKED WHETHER IT MIGHT HAVE BEEN POSSIBLE FOR THAT AGENCY, WITHOUT HIS KNOWLEDGE OR CONSENT, TO HAVE BENEFITTED FROM HIS NEWS-GATHERING TRIP, MR. LANDO SAID "IT WOULD HAVE BEEN PROFESSIONALLY IMPROPER TO PERMIT OURSELVES TO BE USED IN SUCH A MANNER, AND WE WERE NOT USED IN SUCH A MANNER. UNQUOTE

4. SYMONETTE, SHOWING LITTLE CONTRITION AND CONTENDING THAT IRS IS OUT TO BREAK BAHAMIAN BANK SECRECY, REPORTED THAT NEXT WEEK'S HERALD WOULD RUN ANOTHER STORY ON IRS, THIS TIME BASED ON PURPORTED CONVERSATION WITH IRS AGENT IN MIAMI, WHO, IT IS CLAIMED, WARNED THAT IRS WILL RELEASE NAMES OF ALL BAHAMIANS WITH BANK ACCOUNTS IN FLORIDA. THIS SYMONETTE CONTENTED IS TO BE IRS "RETALIATION" FOR REFUSAL OF GCOB TO LET IRS OPERATE IN BAHAMAS. WHEN ASKED FOR AN ADVANCE COPY OF STORY "SO EMBASSY CAN BEGIN DRAFTING THE DENIAL", SYMONETTE SAID IT HAD ALREADY GONE TO PRINTERS.

5. COMMENT: EMBASSY IS AS YET UNAWARE WHAT DEGREE OF "EDITORIAL GUIDANCE" -- DIRECT OR OTHERWISE -- SYMONETTE AND "HERALD" ARE RECEIVING FROM PLP/GCOB AND DEPENDING ON CONTENT OF NEXT WEEK'S ATTACK WE MAY WELL WISH TO PROBE FURTHER ON THIS POINT. WE FIND, HOWEVER, SYMONETTE'S CONTINUED COCKINESS IN FACE OF CBS' AND EMBASSY'S CATEGORICAL CONFIDENTIAL

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DENIALS NOT TO BE REASSURING ON THIS POINT. AT SAME TIME, IT SHOULD BE REMEMBERED THAT SYMONETTE'S CREDIBILITY WAS GIVEN SEVERE JOLT IN MID-AUGUST WHEN OPPOSITION "TRIBUNE" PUBLICLY EXPOSED HIM AS HAVING LIED, AN EPISODE WHICH APPARENTLY HAD LITTLE EFFECT ON HIS SELF-ASSUREDNESS. (IN THAT INCIDENT SYMONETTE SENT PRESS RELEASES TO TWO NASSAU DAILIES ENCLOSING TEXT OF ADDRESS HE HAD ALLEGEDLY DELIVERED AT AUGUST 16 COMMENORATION OF "FOX HILL DAY" -- DAY ON WHICH EMANCIPATED SLAVES TOOK POSSESSION OF TRACT OF LAND NEAR NASSAU. WHILE "GUARDIAN" PRINTED TEXT OF RELEASE AS DELIVERED, "TRIBUNE" INVESTIGATED, FOUND THAT SYMONETTE HAD BEEN NOWHERE NEAR FOX HILL THAT DAY, THAT SPEECH HAD NOT BEEN DELIVERED, AND TOOK DELIGHT IN PUBLICIZING WHOLE EPISODE UNDER BANNER HEADLINES.) WHATEVER THE DEGREE OF EDITORIAL CONTROL EXERTED BY THE PLP GOVERNMENT, HOWEVER, WE RECOMMEND THAT EMBASSY CONTINUE TO BE GIVEN AUTHORITY BY DEPARTMENT TO DENY FALSE ALLEGATIONS AND CHARGES AND CORRECT ANY SERIOUS INACCURACIES WHEN THEY OCCUR. AT THE SAME TIME WE SHOULD BE MINDFUL AND EXERCISE DUE CAUTION SO AS TO AVOID GETTING INTO A CONTINUING PUBLIC SHOUTING MATCH WITH "HERALD" AND BY EXTENSION PLP AND GCOB. TAYLOR

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